



INLAND REVENUE DEPARTMENT
STAMP OFFICE
1/F, Inland Revenue Centre, 5 Concorde Road,
Kai Tak, Kowloon, Hong Kong.

To: Stamp Office Customers

Stamp Office
Stamping Circular No. 2 of 2011
Procedural Matters in relation to
the Stamp Duty (Amendment) Ordinance 2011

The Stamp Duty (Amendment) Ordinance 2011 (“the Amendment Ordinance”) was published in the Gazette on 30 June 2011. The Amendment Ordinance was enacted to (1) impose Special Stamp Duty (SSD) on top of ad valorem stamp duty on transactions of residential property acquired on or after 20 November 2010 and resold within 24 months after acquisition and (2) cancel the existing arrangement for deferred payment of stamp duty.

2. The following paragraphs set out the procedures for stamping SSD on the chargeable instruments and the arrangements on disallowing deferred payment of stamp duty.

Application for stamping

3. With effect from 30 June 2011, you are required to provide information in relation to ad valorem stamp duty and SSD in the revised forms (Forms IRSD 112(E), 114(E), 115(E) and 117(E) in the version of **06/2011**). As a transitional arrangement, you may still use the old forms to submit your applications provided that the supplementary information requested in the Appendix of this Circular is also completed. The old forms will become obsolete after 15 July 2011. Please use the revised forms for your stamping requests thereafter.

4. The Stamp Office will prepare a practice note to set out its interpretation in relation to the provisions for the SSD.

Cancellation of deferred payment of stamp duty

5. For residential property transaction **valued at \$20 million or below**, the option to defer payment of stamp duty chargeable on the agreements for sale and purchase of residential property executed on or after 30 June 2011 will be withdrawn.

- (a) Where a provisional agreement executed before 30 June 2011 is superseded by a formal agreement made on or after 30 June 2011 (i.e. the latter is made within 14 days from the date of the former), deferred payment of stamp duty is not applicable to the formal agreement as it is executed after the enactment of the Amendment Ordinance.
- (b) Where a provisional agreement executed before 30 June 2011 is superseded by a formal agreement made on or after 30 June 2011 but outside 14 days from the date of the provisional agreement, the former will continue to be chargeable with stamp duty. Deferred payment of stamp duty is still applicable to the provisional agreement provided that the application is made within 30 days from its date of execution.
- (c) Where only one agreement for sale and purchase is executed under 29B of the Stamp Duty Ordinance, Cap. 117, be it provisional or formal, deferred payment of stamp duty is not applicable if the agreement is executed on or after 30 June 2011.

6. The e-Stamping service is not applicable to cases chargeable with SSD and application for deferred payment of stamp duty. You should submit the stamping requests related to those cases in paper form to the Stamp Office.

7. For any enquiries, please call us at 2594 3202.

Stamp Office
June 2011

Supplementary information**Part 1: Special Stamp Duty (SSD) (Note 1)**

1. Whether the property was acquired on or after 20 Yes No [Proceed to complete Part 4 "Declaration"]
November 2010 by the vendor of this instrument?
2. If answer to (1) is 'Yes', complete either Part A or Part B below
- Part A: For whole property under this instrument was acquired and disposed of within 24 months**
- (a) Date of Acquisition (Note 2) ___ / ___ / ___ [D/M/Y]
Instrument Reference No. of the chargeable instrument under the acquisition transaction (if any): _____
- (b) Date of Disposal (Note 2) ___ / ___ / ___ [D/M/Y]
- (c) Holding Period (Note 3):
 6 months or less More than 6 months but for 12 months or less More than 12 months but for 24 months or less
- Part B: Same as Part A but with different acquisition dates for different parts of the property OR only part(s) of the property under this instrument was (were) acquired and disposed of within 24 months**

	Property 1	Property 2	Property 3
(a) (i) Address (for the property acquired and disposed of within 24 months)			
(ii) Interest of property acquired	<input type="checkbox"/> 100% <input type="checkbox"/> 50% <input type="checkbox"/> Other _____ %	<input type="checkbox"/> 100% <input type="checkbox"/> 50% <input type="checkbox"/> Other _____ %	<input type="checkbox"/> 100% <input type="checkbox"/> 50% <input type="checkbox"/> Other _____ %
(iii) Land Registry's Property Reference No. (LRPRN)	<input type="checkbox"/> _____ <input type="checkbox"/> No LRPRN	<input type="checkbox"/> _____ <input type="checkbox"/> No LRPRN	<input type="checkbox"/> _____ <input type="checkbox"/> No LRPRN
(b) Amount of the total consideration for that property	\$ _____	\$ _____	\$ _____
(c) Date of Acquisition [D/M/Y] (Note 2)	___ / ___ / ___	___ / ___ / ___	___ / ___ / ___
Instrument Reference No. of the chargeable instrument under the acquisition transaction (if any)	_____	_____	_____
(d) Date of Disposal [D/M/Y] (Note 2)	___ / ___ / ___	___ / ___ / ___	___ / ___ / ___
(e) Holding period (Note 3)			
(i) 6 months or less	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(ii) More than 6 months but for 12 months or less	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(iii) More than 12 months but for 24 months or less	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Any applicable exemption to SSD? Yes [Proceed to complete Part 2 "Adjudication Request"]
 No [Proceed to complete Part 3 "Special Stamp Duty Liability"]

Part 2: Adjudication Request for SSD Exemptions (with payment of adjudication fee \$50)

Reason for exemption (please attach relevant documentary evidence to support the exemption claim) -

- Nomination of the spouse, parents, children, brothers and sisters to take up the assignment; or sale or transfer of the property to the spouse, parents, children, brothers and sisters.
- Addition / deletion of name(s) to / from a chargeable agreement for sale or Assignment if the person(s) added / deleted is the spouse, parents, children, brothers and sisters of the original purchaser(s).

- Sale, transfer or vesting of properties made by the courts or pursuant to court orders, and the property was transferred to or vested in the vendor by or pursuant to any decree or order of any court.
- Sale of mortgaged properties by a mortgagee which is a financial institution within the meaning of section 2 of the Inland Revenue Ordinance, or by a receiver appointed by such a mortgagee.
- Sale of the estate of a deceased person by the executor or personal representative, and sale or transfer of a residential property by the vendor whose property is inherited from a deceased person's estate or is passed to the vendor under the right of survivorship.
- Sale of property by a liquidator / a receiver due to bankruptcy or involuntary winding up upon failure to pay debts.

Part 3: Special Stamp Duty Liability (if applicable)

Amount payable: \$ _____

Share of payment: Vendor _____% Purchaser _____% Other _____%

Part 4: Declaration

I hereby declare that to the best of my knowledge, information and belief, the information contained in this form is true, correct and complete.

Signature: _____ Date: ____ / ____ / ____

Name: _____

Capacity: Vendor Purchaser Legal Representative Property Agent Other

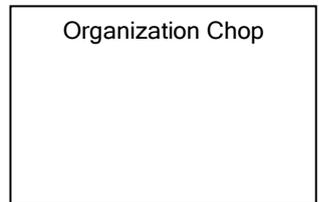
Part 5: Solicitor Firm Details (if applicable)

Business Registration & Branch No.: _____

Contact Reference No.: _____

Telephone No.: _____ Fax No.: _____

Please tick if applicable



Notes

1. Special Stamp Duty (SSD) is chargeable on residential property transactions of which the property concerned was acquired by the vendor on or after 20 November 2010 and disposed of within 24 months from the date of acquisition.
2. For the purposes of SSD, a person acquires or disposes of a property on the date the chargeable agreement for sale. If there is no chargeable agreement for sale, the date of conveyance (i.e. the date of Assignment) will be the date of acquisition or disposal. Chargeable agreement for sale includes both provisional agreement and formal agreement. Where there is more than one chargeable agreement for sale in a transaction, the date of the first agreement will be taken as the date of acquisition or disposal of the property.
3. SSD is calculated at varying rates based on the holding period of the property by the vendor before disposal -
 - (a) 15% if the property has been held for 6 months or less;
 - (b) 10% if the property has been held for more than 6 months but for 12 months or less;
 - (c) 5% if the property has been held for more than 12 months but for 24 months or less.
 e.g. Date of acquisition = 20 Nov 2010
 - (i) holding period for 6 months or less = resold on or before 19 May 2011
 - (ii) holding period for more than 6 months but for 12 months or less = resold on or before 19 Nov 2011 but after 19 May 2011
 - (iii) holding period for more than 12 months but for 24 months or less = resold on or before 19 Nov 2012 but after 19 Nov 2011